(b) A sum of Rs. 1573.00 crore (grant) has been provided in the Budget for 2003-04 for meeting certain specified liabilities of IFCI.

(c) The Minister of Labour wrote to the Minister of Finance in January, 2003 to advise the concerned officials to release the outstanding dues and other liabilities to the Employees' Provident Fund Organisation.

(d) The Government in consultation with the stakeholders of IFCI, formulated a package for restructuring of the liabilities of IFCI in December, 2002. Since then, IFCI have paid interest of Rs. 191.62 crore and principal of Rs. 7.19 crore to EPFO. As reported by IFCI, in August, 2003 EPFO had approved restructuring of its outstanding investments at 10% per annum payable after 10 years. However, IFCI has requested EPFO for reconsidering their approval at 9% per annum.

**Waiver of interest on crop loans**

729. SHRI K. RAHMAN KHAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government of Karnataka has requested the Central Government for waiver of interest on crop loan advanced during Kharif Season 2002 as drought relief measure in view of prevailing drought situation in the State;

(b) whether it is also a fact that Chief Minister of Karnataka has written to the Prime Minister for the purpose; and

(c) if so, what action has been taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL) : (a) to (c) The information is being collected and will be placed on the Table of the House.

**Credibility of Co-operative Banks**

730. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that credibility of Co-operative Banks including rural and urban banks have eroded severely during the past few years;

(b) if so, the reasons therefor;

(c) whether the RBI and Central Government have taken or propose to take any concrete steps to maintain the credibility of Co-operative Banks in the country; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL) : (a) and (b) Though some of the Urban Co-operative Banks (UCBs) in certain regions of the country had faced liquidity crisis or were involved in irregularities in Government securities transactions, it cannot be said that their credibility had eroded. It has been observed that the deposits of these UCBs have been on the increase, raising from Rs. 80,840 crores in 2000-01 to Rs. 1,01,546 crores in 2002-03 which indicates the level of public confidence in them. The financial position of some of the State Co-operative Banks (SCBs) and District Central Co-operative Banks (DCCBs) are also not satisfactory. It is reported by Reserve Bank of India (RBI) that 8 SCBs and 143 DCCBs are not complying with the provisions of Section 11(1) of the Banking Regulation Act, 1949. The reasons for erosion in the value of assets of the bank are high level of overdues/non-performing assets, inadequate business per employee, high overhead cost and also weak structure of these banks.

(c) and (d) RBI has taken several regulatory and supervisory measures to strengthen the co-operative banking sector. In so far as UCBs, these include putting restrictions on their operations in Call/ Notice Money Market, regulating bank finance against shares and debentures, restricting their investment in Government and approved Securities, introduction of off—site surveillance system on UCBs, prohibiting grant of loan to Directors, guidelines for recovery of dues relating to Non-Performing Assets, etc. RBI is also reviewing the position of rural co-operative banks on a continuous basis and appraising the State Governments from time to time on the measures to be taken at their end to improve the position.

**Credit/Debit cards**

731. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has taken cognizance of the menace and harassment caused by banks foisting credit/debit cards on unsuspecting customers and extracting payments later;